

LOCHLEA DISTILLING CO.

OUR PRIVATE CASK PROGRAMME



INTRODUCING LOCHLEA DISTILLERY

Welcome to the best-kept secret in Scotch Whisky.

Since 2018 we have quietly gone about our business, producing exceptional spirit using barley grown on the farm. Our Production Team have an unwavering emphasis on quality, and traceability is at the heart of every step in our production process. We are constantly striving for improvements whenever possible, on our mission to become Scotland's first single-site malt whisky distillery.

We are a young, ambitious, independent family-owned distillery, based in Ayrshire, Scotland. Our aim is to create outstanding whisky for our customers to share and enjoy, and we're delighted that you're thinking of joining us on the journey.

What makes us different from other distillers?

Independence. We are a family-owned distillery without the restrictions of a large corporate company. We hope this allows our customers to feel closer to the brand, and it lets us plan for the long-term and do things a bit differently.

Barley. We use our own Lochlea barley grown and harvested on the farm by our owner. This, along with our unique distillation process and finest quality casks gives our spirit a distinctive character and ensures full traceability.

Quality. No corners have been cut in the design, build and running of our distillery. Douglas Fir washbacks, beautiful Forsyths copper pot stills, racked and dunnage on-site warehousing and a team full of experience and ambitious new ideas.

Location. We are based in the heart of the Ayrshire countryside's rolling hills, yet only 30 minutes south of Glasgow. Our area is rich in history, a natural larder of Scotland, and has the best golf courses in the UK! We are also the only distillery worldwide where Scotland's greatest Poet lived and worked during his formative years (1777-1784). We think he'd approve of what we've done with the place!

We have big aspirations for the years ahead and will approach them with honesty, passion and progressiveness, mirroring Burns himself. Here is your chance to take part in the story.

This is just the beginning...



CASK OPPORTUNITY

•

To own one of an extremely limited number of private casks at Lochlea, and experience the pleasure of seeing your new make spirit mature into delicious Single Malt Scotch Whisky. Only a very small quantity are made available.

What is included?

1. Your Cask
2. Certificate of Ownership
3. Storage in on-site warehouse & Insurance included for 10 years
4. Private all-access tour of Lochlea Distillery by appointment. Not open to the public
5. Samples of maturing liquid on request at standard rate. Max 1 per year
6. Advice and contacts provided for bottling, labelling, duty, tax etc when required
7. Invitation to future Lochlea site events
8. Buyback option after 10 years if preferred

Why Us? We pride ourselves on a hands-on, open and inclusive cask offering, and hope you will feel part of the Lochlea family.

Your Cask	SIZE (LITRES)	AVAILABILITY
1st Fill Bourbon Barrel	Up to 200	Limited

- All spirit being filled will be our signature Lochlea unpeated new make.
- All casks are sourced directly from our trusted suppliers, to ensure quality and consistency.
- From time-to- time cask types other than those mentioned may be available.
- To discuss casks, flavour profiles or anything else please email casks@lochleadistillery.com.

STORAGE & BOTTLING

•

Storage & Insurance

10 years is included. Thereafter warehousing and insurance will be charged annually according to our terms & conditions. Casks stored in one of our on-site warehouses, and covered under Lochlea's group policy. Approximately 2% of liquid in your cask will evaporate each year (known as the Angels' Share) and the alcohol strength will reduce by approx. 1% per year.

Bottling / Buyback Process

After the minimum 10-year period, Lochlea will offer to purchase your whisky back at the prevailing market rate, being the rate that Lochlea purchases similarly aged whisky at that point in time. This allows you to have the experience of owning and sampling the maturing liquid, and avoid the hassle and cost of bottling, as further set out in our terms and conditions.

If or when you decide to bottle your whisky, we can recommend and provide contact details for our own bottling partner. They can then provide a quote, and you are welcome to compare against other suppliers. We recommend bottling between ten and twelve years of age but the whisky can be left to mature for longer. Once you inform us of the desire to bottle, we will schedule with you the movement of the cask to the chosen bottling facility.

Your Liquid

Casks will be filled at standard 63.5% ABV. We recommend bottling at 46% alcohol, as this negates the need for chill filtration. However, you can bottle as low as 40% or as high as cask strength (approx. 57% ABV at 10 years old).

Number of Bottles

Dependent on maturation rate, age of the whisky, ABV etc. As a guide, a 200L Bourbon Barrel bottled at 46% ABV at 10 years old, will yield around 250 bottles.

Labelling

Any labels relating to a Lochlea cask bottling must be signed off by a Director of the company. Unfortunately, it won't be possible to label your own bottles as 'Lochlea Single Malt'. You'll understand this is simply to protect our cherished brand. Alternative options (e.g. "Single Malt, produced at Lochlea Distillery") may be available at the time. When the time comes, please send us a draft of your chosen label for approval, and we can work together to ensure all legal and brand guidelines are met.



COSTS, COMPLIANCE, TAXES & DUTIES



We don't provide advice on complying with tax obligations, and you should seek professional assistance. We can give you recommendations on people to contact. Please ask us for further information. For your general information, some points you are likely to have to consider are set out below.

Our casks are laid down in a bonded warehouse. On release of whisky from a bonded warehouse, duty is currently charged based on the percentage of pure alcohol in that whisky by Her Majesty's Revenue and Customs (HMRC). The current rate of this excise charge is £32.79 per litre of pure alcohol. For example, the duty levied on a 70cl bottle of single malt scotch whisky bottled at 46% ABV is currently £10.56. In addition, on the purchase of whisky HMRC currently levies value added tax (VAT) at a rate of 20% on the combined purchase price and duty charge.

Duty and VAT are currently payable after bottling when whisky is released into the UK from the bonded warehouse. Payment of duty and VAT is the responsibility of the owner of that spirit. If there is a requirement to export, please note that the Scotch Whisky Regulations 2009 state that single malt scotch whisky may only be exported from Scotland in bottles labelled for retail sale. If the whisky is exported under bond, duty and VAT can currently be suspended (but not avoided), subject to the exporter being registered for both duty and VAT in the UK, and being registered as a bona fide exporter. Duty and VAT may also be payable in the country of final destination at the rates prevailing in that country at that time.

Currently, rights to casked whisky purchased for personal use are not subject to capital gains tax levied in the UK, as whisky is regarded as a "tangible", "moveable" and "wasting asset". Whisky purchased in cask for personal use, as a gift for family and friends, may therefore be exempt from capital gains tax on bottling.

It is important to note that in the view of HMRC, the purchaser of the cask contents is responsible for being aware of all regulations, duties and taxes prevailing in their country of residence or domicile relating to the import and export of alcohol.

APPROXIMATE COSTS ASSOCIATED WITH CASK OWNERSHIP AND BOTTLING

Please note these are estimates, and duty rates, bottling fees etc are liable to change.

Lochlea Cask Purchase, Ten Years of Storage and Insurance	£5775
Duty @ 46% on approx. 250 70cl Bottles	£2640
Sub Total	£8415
VAT @ 20%	£1683
Bottling & Dry Goods	£1302
TOTAL COST	£11400
<i>Est. Cost per Bottle</i>	<i>£ 45.60</i>

CUSTOMER FORM

Title and Full Name of Purchaser

Cask Type

1st Fill Bourbon Barrel

Email of Purchaser

Telephone Number of Purchaser

Title and Full Name for Certificate (If Different)

Address and Postcode of Purchaser

Address and Postcode for Certificate (If Different)

Disclaimer: In applying to purchase the rights to the contents of this cask I confirm I have read and accept the Terms & Conditions, and owner of cask is of legal age to purchase alcohol.

Signature

Date

Please return your completed order form to casks@lochleadistillery.com

TERMS & CONDITIONS

1. The completed, signed and countersigned Lochlea Cask Order Form together with these Terms and Conditions comprise the contract for the acquisition of a right to the contents of a cask of whisky laid down in 2025 (the "Cask Contents") by Lochlea Distilling Company Limited a company registered in Scotland under company number SC533717 whose registered office is at Lochlea Farm, Lochlea Distillery, Craigie, South Ayrshire, Scotland, KA1 5NN (also referred to as "Lochlea", "we", "our" and "us"), between Lochlea and the customer whose details appear on the Cask Order Form (also referred to as the "Customer", the "Owner", "you" and "your").

OWNERSHIP

2. Nothing in the contract shall constitute a right to acquire a physical cask itself. The Customer acquires under the contract only the right to acquire the Cask Contents, once the Cask Contents are made available for release. The Cask Contents shall be made available after the relevant cask has been laid down for ten (10) years. Earlier availability shall be at the sole discretion of Lochlea.

3. Lochlea intend to contract only with individuals, or small groups, who want to experience maturing, sampling and bottling or selling back their own whisky and join Lochlea on our journey as a new distillery, on a personal level. Cask Contents are made available to persons acting in the course of a business only with the prior written agreement of Lochlea, which agreement may be made subject to additional terms and conditions.

4. Lochlea require a single point of contact who will become the legal owner of the right to the Cask Contents (the "Legal Owner"). Details of the Legal Owner must be set out upon the Cask Order Form. The Legal Owner, and any persons to whom the Cask Contents are likely to be made available by the Legal Owner, must be of legal age for consuming and purchasing alcoholic beverages in the United Kingdom and their location of residence when entering into this contract.

5. An email address for the Legal Owner must be supplied upon the Cask Order Form and contact between the Owner and Lochlea will be solely via this email address.

6. If Lochlea are unable to contact the Owner via this email address, or if the Owner does not respond to a request by Lochlea made via this email address within a period of six (6) months, Lochlea may terminate the contract, and dispose of the right to the Cask Contents as they see fit, including to another person. In this instance Lochlea shall have the right to retain sums paid for the right to the Cask Contents, to meet their loss, costs and expenses relating to those Cask Contents, the termination of the contract, and the disposal of the Cask Contents. Such loss, costs and expenses shall include the costs and expenses of storage and insurance of the Cask Contents, their loss of profit from the anticipated sale of the Cask Contents, and their costs and expenses relating to arranging alternative disposal of the Cask Contents.

7. It is the Owner's responsibility to ensure that their email address remains valid and operates properly. The Owner may change their email address by contacting Lochlea at the address above, or via email at info@lochleadistillery.com.

8. If the Owner wishes to dispose of their right to the Cask Contents to another person, the Owner must first offer to resell the right back to Lochlea at its original purchase price. If we inform you that we do not wish to repurchase the Cask Contents or do not respond within twenty one (21) days of receipt of notification of your intended disposal, then ownership may be transferred to another single named individual, subject to such additional terms and conditions which we may determine. Rights to Cask Contents cannot be sold or otherwise transferred in the course of business, for example to blenders, brokers or independent bottlers.

AVAILABILITY

9. Rights to Cask Contents are sold on a first come first served basis and details of availability can be obtained from www.lochleadistillery.com or info@lochleadistillery.com. Lochlea do not guarantee that rights to Cask Contents shall be available for purchase at any time.

PRICING

10. Payment of the price for rights to Cask Contents is required in full in advance of the Cask Contents being filled into a cask.

11. Price is dependent on cask type and size, as specified on page 2.

12. The price includes the cost of the Cask Contents and the cost of warehousing and insurance for a period of ten (10) years. If the Owner wishes the Cask Contents to be stored and insured by Lochlea beyond this ten (10) year period, Lochlea will charge and the Owner shall pay Lochlea for such further storage. Further storage and insurance shall be charged in increments of no less than one (1) year. Further storage and insurance shall be charged if the Owner does not contact Lochlea at least one (1) month prior to the expiry on the initial ten (10) year period, or any subsequent additional year, and arrange bottling and removal of the Cask Contents. If part of the Cask Contents are removed, Lochlea may charge (and the Owner shall pay) the further storage and insurance costs as if the full Cask Contents remained in storage with Lochlea. Further storage and insurance charges shall be informed by Lochlea to the Owner prior to the expiry of any such period, and shall be calculated according to the costs and expenses incurred by Lochlea, plus an allowance for Lochlea's time and effort in procuring and providing such further storage and insurance.

13. The price includes the cost of maintaining a suitable cask for storage of the Cask Contents. Should a cask leak Lochlea will replace any Cask Contents lost as a result of such leakage, with such spirit as they determine is suitable in the circumstances. Lochlea will not replace any Cask Contents lost due to evaporation, and the Owner acknowledges and agrees that as a natural part of the process of maturation of Cask Contents some Cask Contents will be lost due to evaporation.

VALUE ADDED TAX (VAT) / DUTIES

14. Lochlea will charge such VAT and other taxes and duties as are required under law, and the Owner shall pay these to Lochlea when required by Lochlea. Lochlea does not currently charge VAT upon the price, as the Cask Contents remain stored in a bonded facility. Currently, excise duty and VAT is chargeable when the Cask Contents are released from the bonded facility. Currently, should the rights to the Cask Contents be sold back to Lochlea whilst still in the bonded facility, no VAT would be due on the resale. Laws relating to tax and duty can change. The Owner should seek their own professional advice and assistance on their tax and duty compliance and payment obligations.

15. Excise duty is the tax currently payable on the % of pure alcohol payable to Her Majesty's Revenue & Customs in the UK based upon the percentage of pure alcohol in Cask Contents when they are removed from a bonded facility, and must be paid before the cask is removed from the facility. UK duty is not currently payable if the rights to the Cask Contents are sold back to Lochlea whilst still in the bonded facility. It may be possible to export bottled

Cask Contents overseas whilst they remain bonded. It shall always be your responsibility to make the necessary arrangements and payments in relation to the release of Cask Contents from our bonded facility. You must, if Lochlea request, provide Lochlea with any documentation which they require in relation to the release of the Cask Contents from their bonded facility, payment of duty and tax, or otherwise.

THE CASK CONTENTS

16. The nominal capacity of ex-bourbon and ex-Isleay peated casks is 200 litres. However casks vary slightly in shape and size and the average fill content is approximately 195 litres. The rights to the Cask Contents are sold to you on the basis that the minimum content on filling will be no less than 190 litres. This will be recorded at the time of filling and you and Her Majesty's Revenue and Customs will be advised accordingly.

17. New make spirit will be filled into the chosen cask as specified on the Cask Order Form at our filling strength of 63.5% ABV. During maturation spirit evaporates from the cask at an average annual rate of approximately 2% and abv reduces by approximately 1%.

CASK CONTENTS SAMPLES

18. Lochlea may make Cask Contents available on request, subject to their further agreement. The current cost for this is £40 for a 200ml sample inclusive of UK postage. Lochlea reserves the right to increase this cost. Samples may be sent internationally at an additional cost however there may be some restrictions in your country and duty and other charges may be payable on importation, which you will be liable for. It will be your responsibility to clear the sample through customs and pay any duty or other charges. Cask Contents samples are available on a limited basis only. You may not seek to acquire samples on a basis that Lochlea consider to be excessive.

STORAGE AND REMOVAL

19. All CaskContents will be stored under bond at Lochlea Distillery, Lochlea Farm, Craigie, Ayrshire, KA1 5NN, Scotland. Cask Contents cannot be removed from our bonded warehouse until 10 years have elapsed, other than by special arrangement which is at the sole and absolute discretion of Lochlea.

20. Removal of Cask Contents will be your responsibility unless selling back to Lochlea, and must be undertaken at your cost. We can provide assistance in this respect, which will be subject to further charges. Please contact us if you require further information.

BOTTLING AND LABELLING

21. When Cask Contents are to be removed they must be bottled and labelled. If Lochlea undertake the bottling and labelling, Lochlea will charge you for the bottling and labelling at their then current rates for such services, which rates are based upon their costs and expenses incurred in relation to such services, plus an allowance for their time and effort, along with any other sums referred to in the section above entitled "Value Added Tax (VAT), duties and such like".

22. You may engage a third party to bottle, label and remove the Cask Contents, or bottle, label and remove the Cask Contents yourself, only with Lochlea's prior written agreement, which agreement may be given subject to such other terms and conditions as Lochlea specify. Lochlea can assist by providing contact details for bottling companies. Following bottling the empty casks must be returned back to the Lochlea premises. Please ask us if you wish for further details.

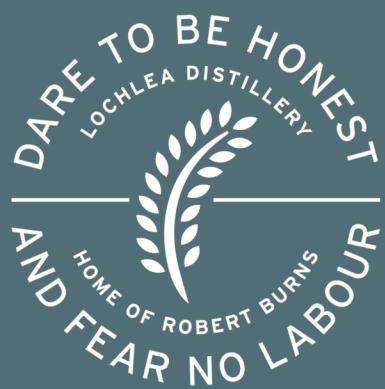
23. The form and wording of any labelling must be agreed in writing in advance by Lochlea. All labelling must comply with the applicable laws, including any Scotch whisky related legislation. Lochlea by providing their agreement to any form of labelling do not warrant that the labelling complies with applicable law, and ensuring compliance with applicable law shall be your sole responsibility.

24. The expressions "Lochlea Distillery" and "Lochlea Single Malt Scotch Whisky" and all associated logos and devices are the property of Lochlea. Under no circumstances may you use the expressions "Lochlea Distillery" and "Lochlea Single Malt Scotch Whisky" or any associated logos and devices, including in any labelling, other than as expressly permitted by us in writing.

25. You may use the expression "Single Malt Scotch Whisky distilled at Lochlea Distillery" as a designation of source upon labelling of bottles which contain only Cask Contents (not any blend or other spirit), but not in a prominent manner, and not as the principal or other brand upon that labelling. You may not use that phrase in relation to any other spirits or products, goods or merchandise whatsoever.

GENERAL

26. Your rights and obligations under this contract may not be transferred to a third party without our consent in writing. This contract is governed by the law applicable in the part of the United Kingdom in which you are resident. If you are resident outwith the United Kingdom it is governed by Scottish law. In signing this contract you agree that where this contract has been translated into a language other than English, the English language version will prevail. If a part of the contract is deemed not to apply by applicable law, the remaining parts of the contract will remain in effect. A waiver of any right or privilege under or in relation to the contract must be given in writing to be effective.



CONTACT US



casks@lochleadistillery.com

lochleadistillery.com

Lochlea Distilling Co. Limited
Lochlea Distillery
Craigie
South Ayrshire
KA1 5NN